
By: **Senator Teitelbaum**

Introduced and read first time: February 6, 2004

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Credit for Geothermal Heat Pump**

3 FOR the purpose of allowing an individual to claim a credit against the State income
4 tax in a certain amount for the purchase price of a geothermal heat pump under
5 certain conditions; defining a certain term; providing for the application of this
6 Act; and generally relating to a credit against the State income tax for the
7 purchase price of a geothermal heat pump.

8 BY adding to
9 Article - Tax - General
10 Section 10-725
11 Annotated Code of Maryland
12 (1997 Replacement Volume and 2003 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Tax - General**

16 10-725.

17 (A) IN THIS SECTION, "GEOTHERMAL HEAT PUMP" MEANS A HEATING AND
18 COOLING DEVICE THAT:

19 (1) IS INSTALLED USING GROUND LOOP TECHNOLOGY; AND

20 (2) IS INSTALLED ON OR AFTER JANUARY 1, 2004, IN A NEW OR
21 REMODELED SINGLE-FAMILY DWELLING.

22 (B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN INDIVIDUAL MAY
23 CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE PURCHASE PRICE OF A
24 GEOTHERMAL HEAT PUMP.

25 (C) (1) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS
26 SECTION MAY NOT EXCEED THE LESSER OF:

1 (I) \$1,500; OR

2 (II) THE STATE INCOME TAX IMPOSED FOR THE TAXABLE YEAR.

3 (2) THE UNUSED AMOUNT OF THE CREDIT MAY NOT BE CARRIED OVER
4 TO ANY OTHER TAXABLE YEAR.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 July 1, 2004, and shall be applicable to all taxable years beginning after December 31,
7 2003.